

One-Time Notification

Pub. 100-04	Transmittal: 19	Date: October 31, 2003	Change Request 2926
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SUBJECT: Annual Update of Healthcare Common Procedure Coding System (HCPCS) Codes Used for Skilled Nursing Facility (SNF) Consolidated Billing (CB) Enforcement

I. GENERAL INFORMATION

A. Background:

In several past instructions, CMS established the process of periodically updating the lists of HCPCS codes that are subject to the CB provision of the Skilled Nursing Facility Prospective Payment System (SNF PPS). Services appearing on this list submitted on claims to both Medicare fiscal intermediaries (FIs) and carriers, including Durable Medical Equipment Regional Carriers (DMERCs), will not be paid by Medicare to providers, other than a SNF, when **included** in SNF CB. For non-therapy services, SNF CB applies only when the services are furnished to a SNF resident during a covered Part A stay; however, SNF CB applies to physical, occupational or speech-language therapy services whenever they are furnished to a SNF resident, regardless of whether Part A covers the stay. Services **excluded** from SNF PPS and CB may be paid to providers, other than SNFs, for beneficiaries, even when in a SNF stay. In order to assure proper payment in all settings, Medicare systems must edit for services provided to SNF beneficiaries both included and excluded from SNF CB. **This notification provides a list of the exclusions, and some inclusions, to SNF CB, and only applies to codes affected by editing in Medicare FI claims processing.** A separate notification is published for codes affecting Medicare carrier claims processing.

This one time notification is the next annual update in the routine and comprehensive process CMS has established for updating SNF CB edits affected by HCPCS coding changes in each quarter. This one time notification is the first quarterly SNF consolidated billing update for Fiscal Year (FY) 2004. It incorporates a list of new temporary codes (such as K codes), as well as the annual update of all HCPCS codes. Since this is the only quarter in which new permanent HCPCS codes are produced, this one time notification is referred to as an annual update. Other updates for the remaining quarters of the FY will occur **as needed** due to the creation of new temporary codes prior to the next annual update. In lieu of any other update, editing based on these codes remains in effect.

SNF Help File

A revised SNF Help File, separate from the code list, is **not** attached to this notification. The Help File, which provide billing guidance **only** to FIs, SNFs and suppliers on HCPCS codes, and includes codes affected by SNF CB and many other codes, will be updated from the current version **separately** after release of this notification with the new code list.

B. Policy:

Section 1888 of the Social Security Act codifies SNF PPS and CB. The new coding identified in each update describes the same services that are subject to SNF PPS payment by law. No additional services will be added by these routine updates; that is,

new updates are required by changes to the coding system, not because the services subject to SNF CB are being redefined. Other regulatory changes beyond code list updates will be noted when and if they occur.

C. Provider Education:

Intermediaries shall inform affected providers by posting either a summary or relevant portions of this document on their Web site within 2 weeks. Also, intermediaries shall publish this same information in their next regularly scheduled bulletin. If they have a listserv that targets affected providers, they shall use it to notify subscribers that information about “Annual Update of HCPCS Codes Used for SNF CB Enforcement, Updated SNF Help File ” is available on their Web site.

II. BUSINESS REQUIREMENTS

“Shall” denotes a mandatory requirement

“Should” denotes an optional requirement

Requirement #	Requirements	Responsibility
2926.1	The Common Working File (CWF), part of Medicare claims processing systems, shall use the attached list of codes to enforce existing SNF CB edits on claims submitted on or after January 1, 2004. [Systems Requirement]	CWF

III. SUPPORTING INFORMATION & POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions: N/A

X-Ref Requirement #	Instructions

B. Design Considerations: N/A

X-Ref Requirement #	Recommendation for Medicare System Requirements

C. Interfaces: N/A

D. Contractor Financial Reporting /Workload Impact: N/A

E. Dependencies: N/A

F. Testing Considerations: N/A

IV. SCHEDULE, CONTACTS, AND FUNDING

<p>Effective Date: January 1, 2004</p> <p>Implementation Date: January 5, 2004, for services provided on or after that date of service</p> <p>Pre-Implementation Contact(s): Elizabeth Carmody at 410-786-7533 or ECarmody@cms.hhs.gov or Cindy Murphy at 410-786-5733 or Cmurphy@cms.hhs.gov</p> <p>Post-Implementation Contact(s): Appropriate regional office</p>	<p>These instructions should be implemented within your current operating budget</p>
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Attachment